

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Annual Report*

FOR THE YEAR  
ENDED DECEMBER 31

1969

**DIRECTORS**

M. J. BOYLEN - - - - - Toronto, Ontario  
DAVID W. GORDON - - - - - Toronto, Ontario  
M. W. MacDOWELL - - - - - Brockville, Ontario  
GORDON L. MOORE - - - - - Islington, Ontario  
PHILIP E. BOYLEN - - - - - Willowdale, Ontario

**OFFICERS**

M. J. BOYLEN - - - - - President  
M. W. MacDOWELL - - - - - Vice-President  
DAVID W. GORDON - - - - - Vice-President  
GORDON L. MOORE - - - - - Secretary-Treasurer  
CHARLES B. BRANNIGAN - - - - - Assistant-Secretary

**TRANSFER AGENTS  
AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA  
Toronto, Ontario, and Montreal, Quebec

**AUDITORS**

McDONALD, CURRIE & CO. - - - - - Toronto, Ontario

**HEAD OFFICE**

% RAYMOND CARON, Q.C.  
22nd Floor, 630 Dorchester Boulevard West, Montreal 2, Quebec

**EXECUTIVE OFFICE**

908 - 330 Bay Street - - - - - Toronto, Ontario

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**FIRST ORENADA MINES LIMITED**  
(No Personal Liability)

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# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Directors' Report*

To the Shareholders:

The financial statements of the Company for the fiscal year ended December 31, 1969, notes relevant thereto and the Report of the Auditors, are submitted herewith.

### **NORTHWEST TERRITORIES**

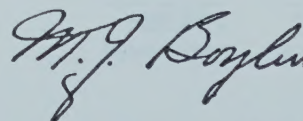
First Orenada has retained its 15% interest in 1,080 claims on Victoria Island. The claims are under the management of Grandroy Mines Limited, which holds a 50% interest and is presently making preparations for the coming season's extensive exploration program on favourable basalt formations that are similar to those of Kennicott's former rich producer in Alaska and the historically productive mines of the Keeweenaw Peninsula of Michigan. During 1968 and 1969 copper metal and copper sulphides were found at numerous sites on the staked areas of Victoria Island, and the proposed program is expected to assess their importance and to locate further deposits of possible commercial significance.

### **PROVINCE OF QUEBEC**

Your Company's property of 47 claims in Bourlamaque Township was under active exploration during 1969. A combined Induced Polarization and Electrical Resistivity survey was performed on five miles of picket lines, and detail surveying of the same expensive but exceptionally sensitive geophysical method covered an anomalous zone. Also in 1969, diamond drilling was done to the extent of 4,094 feet on and near the northern boundary of the property during a program performed jointly by Ducros Mines Limited and First Orenada Mines Limited.

The Induced Polarization surveying was resumed in March, 1970, and a long zone of conductivity has been outlined. Located on a part of the property where underground conditions are not yet known, the cause of this anomaly will require testing by diamond drilling in the immediate future. Another Induced Polarization anomaly, embracing an area where copper occurs in volcanic formations is the target of a diamond drilling program that has recently commenced.

On behalf of the Board of Directors,



President.

Toronto, Ontario,  
April 27, 1970.

**MCDONALD, CURRIE & CO.**

CHARTERED ACCOUNTANTS

INTERNATIONAL FIRM  
COOPERS & LYBRAND

TELEPHONE 366-2551  
120 ADELAIDE STREET WEST  
TORONTO 1, CANADA

March 19, 1970

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the balance sheet of First Orenada Mines Limited (No personal liability) as at December 31, 1969 and the statements of deficit, deferred expenditures and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

As stated in note 1 to the financial statements no provision has been made for a write down in the value of investments in and advances to other mining companies. We have been unable to determine the amount which may be realized on the disposal of these investments and advances.

Subject to the qualification set out in the preceding paragraph in our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

MCDONALD, CURRIE & CO.,  
Chartered Accountants.



# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Balance Sheet as at December 31, 1969*

### ASSETS

	1969	1968
	\$	\$
<b>Current assets</b>		
Cash and short-term deposits .....	50,528	88,224
Accounts receivable .....	10,538	5,728
Prepaid fees .....	250	—
	<u>61,316</u>	<u>93,952</u>
<b>Investments in and advances to other mining companies (note 1) .....</b>	<b>31,829</b>	<b>31,829</b>
<b>Mining properties — at cost (notes 2 and 3) .....</b>	<b>61,007</b>	<b>61,422</b>
<b>Deferred expenditures — at cost (note 3) .....</b>	<b>426,463</b>	<b>396,588</b>
	<u><u>580,615</u></u>	<u><u>583,791</u></u>

### LIABILITIES

<b>Current liabilities</b>		
Accounts payable and accrued liabilities .....	<u>888</u>	<u>977</u>

### SHAREHOLDERS' EQUITY

<b>Capital stock (note 4)</b>		
Authorized —		
5,000,000 shares of the par value of \$1 each		
Issued and fully paid —		
1,680,011 shares .....	1,680,011	1,680,011
Discount on shares .....	<u>1,331,100</u>	<u>1,331,100</u>
	348,911	348,911
<b>Contributed surplus — arising on the re-organization of capital .....</b>	<b>526,227</b>	<b>526,227</b>
	<u>875,138</u>	<u>875,138</u>
<b>Deficit .....</b>	<b>295,411</b>	<b>292,324</b>
	<u><u>579,727</u></u>	<u><u>582,814</u></u>
	<u><u>580,615</u></u>	<u><u>583,791</u></u>

Approved on behalf of the Board:

D. W. GORDON, Director.

G. L. MOORE, Director.

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Notes to Financial Statements* FOR THE YEAR ENDED DECEMBER 31, 1969

1. Investments in and advances to other mining companies:

	Shares		Advances
	Cost	Market value	
Captain Mines Limited	\$	\$	\$
16,000 shares .....	1,943	2,011	—
Wesley Mines Limited			
55,000 shares .....	5,500	413	17,379
Northern Canada Mines Limited			
3,000 shares .....	7,007	1,950	—
	<u>14,450</u>	<u>4,374</u>	<u>17,379</u>

No provision has been made in these financial statements for a write down in the value of the investments in and advances to other mining companies.

2. Mining properties:

These consist of:

- (a) A group of 47 claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec.
- (b) A 15% interest in 1,080 mineral claims in the Victoria Island Area of the Northwest Territories was acquired during 1968 for a consideration of \$10,811.

3. The amounts shown for mining properties and deferred expenditures represent costs to date less amounts written off and are not intended to reflect present or future values.
4. Since its incorporation on November 21, 1938 the company has issued the following shares:

	Number of shares	Par value \$	Discount \$	Net \$
For cash .....	1,326,288	1,326,288	1,002,156	324,132
For services .....	41,223	41,223	35,194	6,029
For mining claims .....	312,500	312,500	293,750	18,750
	<u>1,680,011</u>	<u>1,680,011</u>	<u>1,331,100</u>	<u>348,911</u>

## *Statement of Deficit*

FOR THE YEAR ENDED DECEMBER 31, 1969

	1969 \$	1968 \$
Balance — beginning of year .....	292,324	292,324
Mining claims — written off .....	496	—
Deferred expenditures thereon .....	2,591	—
	<u>3,087</u>	<u>—</u>
Balance — end of year .....	<u>295,411</u>	<u>292,324</u>



# FIRST ORENADA MINES LIMITED

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## *Statement of Deferred Expenditures*

FOR THE YEAR ENDED DECEMBER 31, 1969

	1969 \$	1968 \$
<b>Balance — beginning of year</b> .....	<u>396,588</u>	<u>366,697</u>
<b>Exploration</b>		
Diamond drilling .....	18,498	—
Surface exploration .....	( 62)	10,253
Assaying .....	495	14
Maps and blueprints .....	92	154
Mining licences .....	1,499	1,798
Surveys .....	2,457	1,124
Travel expense — mine .....	174	—
Camp and cookery .....	—	—
	<u>23,153</u>	<u>13,343</u>
<b>Deduct:</b>		
Amount written off on abandonment of claims .....	2,591	—
	<u>20,562</u>	<u>13,343</u>
	<u>417,150</u>	<u>380,040</u>
<b>Administrative and general</b>		
Advertising .....	—	101
Legal and audit .....	476	3,546
Interest and bank charges .....	5	2
Head office expense .....	3,174	3,712
Postage and office supplies .....	329	1,539
General expense .....	4	133
Security registration fees .....	225	770
Telephone and telegraph .....	97	144
Transfer agent and registrar fees .....	1,491	3,247
Travel expenses .....	198	157
Capital and place of business tax .....	60	85
Shareholders' reports .....	1,058	1,278
Directors' fees .....	700	1,800
Executive salary .....	6,000	2,000
	<u>13,817</u>	<u>18,514</u>
<b>Interest earned</b> .....	<u>4,504</u>	<u>1,966</u>
	<u>9,313</u>	<u>16,548</u>
<b>Balance —end of year</b> .....	<u><u>426,463</u></u>	<u><u>396,588</u></u>

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Statement of Source and Use of Funds*

FOR THE YEAR ENDED DECEMBER 31, 1969

	1969	1968
	\$	\$
<b>Source of funds</b>		
Proceeds from sale of shares .....	—	98,502
Repayment of long-term advance .....	—	18,585
	<u>—</u>	<u>117,087</u>
<b>Use of funds</b>		
Deferred expenditures — net .....	32,466	29,891
Purchase of mining properties .....	81	10,811
Purchase of shares — Captain Mines Limited .....	—	343
	<u>32,547</u>	<u>41,045</u>
Increase (decrease) in working capital .....	(32,547)	76,042
Working capital — beginning of year .....	92,975	16,933
Working capital — end of year .....	<u>60,428</u>	<u>92,975</u>